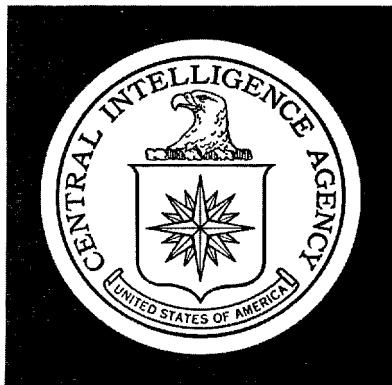


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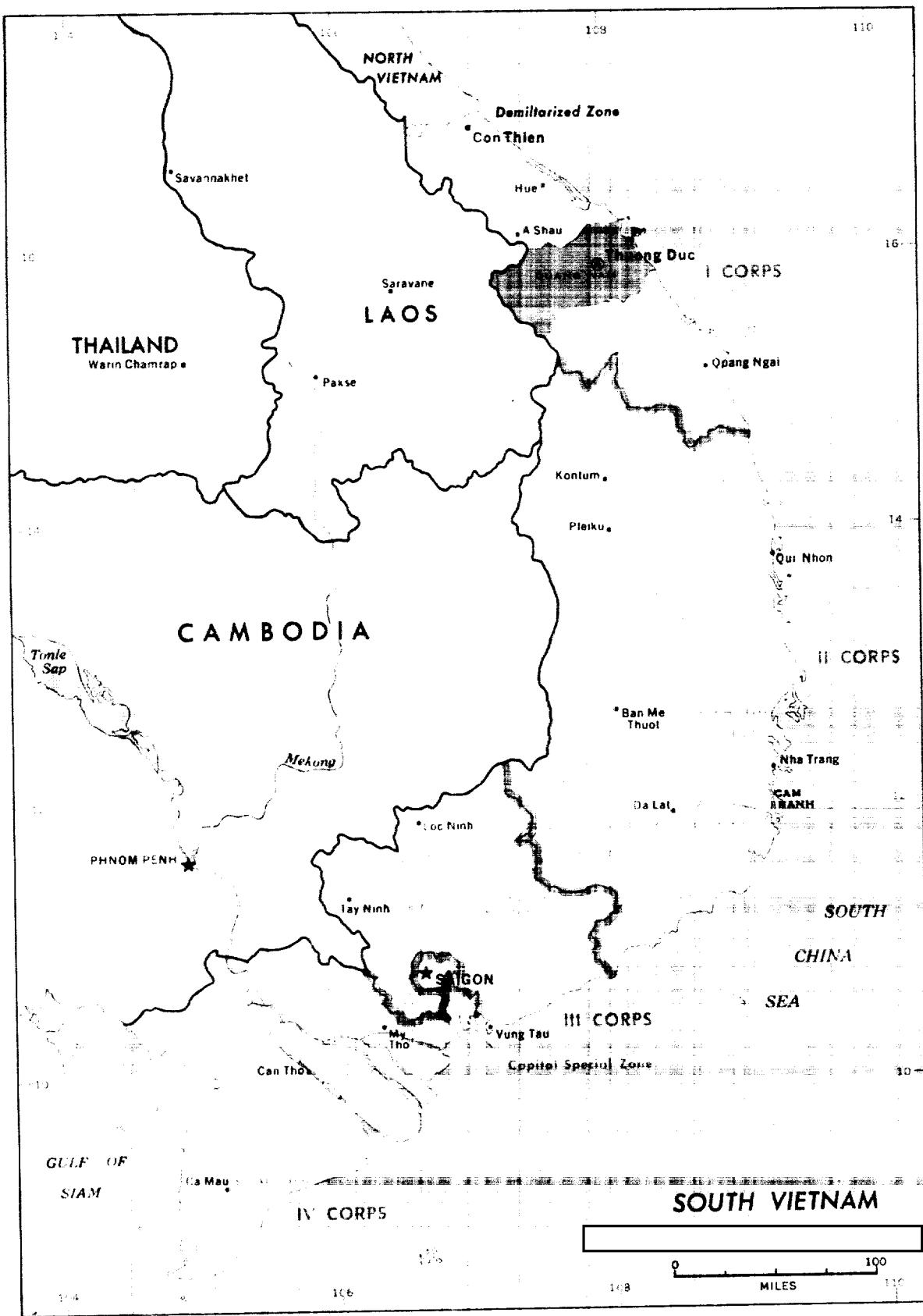
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C South Vietnam: Several sharp engagements have occurred in the northern provinces and northwest of Saigon, but the level of military activity remains generally light.

Near the Demilitarized Zone, US Marines killed at least 20 members of an enemy company in the vicinity of Con Thien on 11 October. The Communists are trying to keep up some pressure on the Thuong Duc Special Forces camp in Quang Nam Province, but have failed in several recent probes against US Marine positions. Allied efforts to engage Communist forces in the III Corps area west and northwest of Saigon are taking a steady toll of enemy personnel. [redacted]

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Czechoslovakia-USSR: Czechoslovak leaders are stubbornly insisting on carrying out their reform program and appear in no hurry--or perhaps are undecided how--to clamp down domestically.

Prague leaders have been briefing regional and district party officials on their recent trip to Moscow, and have not yet indicated when they will convene a central committee plenum to ratify the Moscow communique. President Svoboda demonstrated his unity with the party leaders yesterday, affirming that the government will gradually introduce Dubcek's liberal policies.

Czechoslovak press, radio and television have reacted to news of Dubcek's commitment to tighten controls over them by resuming direct criticism of the occupation powers. Various intellectuals and writers reportedly feel that the Czechoslovak leadership may have sacrificed too much in Moscow. It is possible that the increased press criticism reflects this feeling.

The Soviet press has not yet responded to the latest sallies of the Czechoslovak media. A TASS report on the Czechoslovak presidium meeting of 9 October was phrased so as to suggest to the Soviet reader that Prague was now more determined than before to carry out the Moscow agreement. Pravda juxtaposed the TASS report, however, with excerpts from a speech by Polish party leader Gomulka in which he criticized the persistent failure of the Czechoslovaks to normalize relations between parties. It is unlikely that the Soviet propagandists will be silent much longer.

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USSR-Berlin: Soviet officials have warned again that the East Germans will harass forthcoming West German activities in Berlin.

A Soviet Embassy official in Berlin delivered an oral protest to the US mission on 10 October, charging that the Christian Democratic Union convention and a meeting of the Berlin branch of the National Democratic Party--both events scheduled for West Berlin--will "worsen the situation in and around" the city. The official claimed that these events would bring a "certain reaction" from the East Germans, but he would not specify further. Last month the same official warned a West German journalist that Communist pressure on Berlin would continue, and would consist of an increase in threatening propaganda and interference with autobahn and even air access.

Another Soviet diplomat in Berlin has told a US Embassy official that "some unpleasantness" could be expected from East Germany in connection with the Christian Democrats' convention set to begin on 4 November. This will be the first national party convention held in West Berlin since 1952. This Soviet official said there would be no harassment of the forthcoming West German Bundestag committee meetings.

In a speech on 6 October, East German Premier Stoph also suggested that Pankow will focus on the Christian Democrats' meeting. Nevertheless, East German moves against Berlin during the Bundestag "work week" in late October are still possible.

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Belgium: Prime Minister Eyskens' coalition has made public its proposals for a constitutional revision aimed at easing tensions between the Dutch-speaking Flemings and the French-speaking Walloons.

The Social Christian - Socialist government was formed in June with the understanding that the constitution, which has not been changed since 1921, would be revised. The proposals as now formulated would offer cultural autonomy, long desired by Flemings, in exchange for laws beginning the economic decentralization demanded by the Walloons.

Laws governing the use of both languages, which have been in force for years, would be given constitutional sanction. The Senate would be divided into two councils on a language basis, but the lower house would not be similarly divided. The Senate councils would legislate by decree on cultural matters relating to their own communities, and would have jurisdiction over the budgets of their separate ministries of culture.

The outlook for revision is uncertain. The coalition is short of the required two-thirds majority even if party discipline is maintained in both the lower house and the Senate. Preliminary discussions at the cabinet level have been far from amiable, and the press and legislative debate will certainly be just as bitter over the coming months. It is not clear at this time how the Liberal and small extremist parties will vote. [redacted]

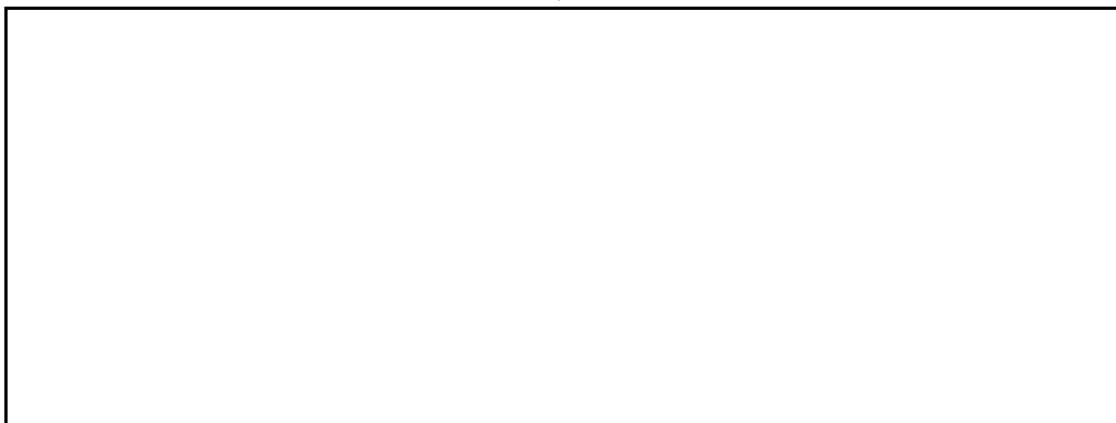
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Peru: The expropriation of the International Petroleum Company holdings has increased the new government's popularity.

Political groups from the extreme right to the extreme left have praised the decision to nationalize the La Brea and Parinas oil fields and the refinery complex at Talara. Celebrations were held throughout the country as political parties and civic and professional groups rallied in support of President Velasco.

Three large US mining companies and the other US petroleum companies operating in Peru have been assured by the minister of development that the IPC action was an exceptional case and that their operations would be "scrupulously respected." Despite these assurances, foreign investors will delay on the future commitments Peru has been seeking.



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Guatemala: Armed civilian counterterrorists in the northeast have yielded to army demands and have returned weapons issued to them by the government over two years ago.

The civilians have been under increasing government pressure to disband since last March, and the peaceful turn-in has greatly reduced the possibility of a bloody incident between the civilians and the military. [redacted]

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[redacted]
The counterterrorists have been allowed to retain their personal weapons, but their effectiveness against Communist guerrillas and others has been significantly impaired. Furthermore, the Zacaña commander has ordered the civilians to abstain from unilateral actions against the guerrillas.

The government's success in disarming the group may reduce the death toll in the northeast. Although the civilians were largely responsible for clearing the guerrillas from the area in late 1966 and 1967, many non-Communists also lost their lives as a result of the civilians' irresponsible behavior.

Further Communist terrorism of significant proportions could well persuade the government to return the weapons. [redacted]

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Dominican Republic: Political maneuvering is already under way in anticipation of the presidential election scheduled for May 1970.

Much of the jockeying centers around President Balaguer, whose partisans are already moving to secure his re-election. Although some of Balaguer's recent actions suggest he is toying with running again, the over-all drift and stagnation that characterizes his administration does not suggest that he has yet made a decision. If Balaguer does not run, some of his supporters are talking of backing the very conservative vice president, Francisco Lora.

The former provisional president and current ambassador to the US, Hector Garcia Godoy, has begun a campaign to organize a moderate "movement of national unity" behind his candidacy. A former moderate leader of the left-of-center Dominican Revolutionary Party is heading the drive, and Garcia Godoy has privately requested the support of the Social Christians.

Recent statements by Juan Bosch that he intends to leave his self-imposed European exile and return to his homeland have led to speculation that the former president may run again. The actual intentions of Bosch remain, as always, unclear.

The nascent presidential campaign seems likely to stir up the relatively placid political climate of the past several months and may have some unsettling effects on the military, which is still the key political group in the country.

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USSR-Egypt: The Soviets are delivering another Shershen-class fast patrol boat to Egypt. The Shershen, a relatively new Soviet type, was towed out of the Black Sea by a Soviet tug on 10 October. This will be the seventh Shershen in Egypt's naval inventory. Five of the last six have been delivered since the hostilities in June 1967.

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Cyprus: There continues to be little progress on the intercommunal talks. The question of Turkish Cypriot local autonomy is still on the shelf, and each meeting of the two negotiators reveals more divergence of view--even on some of the lesser issues--than was apparent in the initial stages of the talks. Submission of some of the problems to joint committees may be the next step, which itself is likely to be a long and laborious operation.

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Chile: The Communist Party is concerned about the increasing militancy among students of the pro-Castro Movement of the Revolutionary Left (MIR). Student attacks against US diplomatic installations in Santiago on 4 October were undertaken by the MIR and by the Socialist Youth organization against the wishes of Communist and Christian Democratic students. The Communists, who strongly oppose violence, believe that the MIR's influence among students is far greater than its numbers would warrant. Although the Communists so far have been unable to devise a solution to the problem, their concern about MIR influence may stimulate closer cooperation between them and the Christian Democrats at the student level.

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Uganda: Uganda is planning to begin a new program of Africanization. The program includes replacing noncitizens in commerce and industry over the next five years, training programs for Africans, and increased financial support for African enterprises. The Asian community, which plays a significant role in the economy, will be hardest hit. Although Africanization has been a recurring issue in Uganda, the government has accomplished little so far despite increasing public pressure. If some of the new Africanization measures cause serious economic disruptions, the government will probably relax them. Similar legislation in Kenya this year caused the exodus of about 16,000 Asians.

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